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Challenges of Social Media Marketing in Digital Technology: A Case of Small Traders of Agricultural Products in Malaysia

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ABSTRACT

Technology without doubt is one of the important elements to be considered for a vital change these days. The Small-to-Medium Enterprises (SMEs), especially in the agricultural sector are not an exception and faced numerous challenges in technology, particularly in digital marketing. It becomes worse when these enterprises were also affected by Covid-19 pandemic. However, to overcome these challenges, a shift or transformation towards digital marketing is deemed to be an appropriate alternative for business survival, which sets new trajectory of growth and the businesses become more as competitive players in the industry. Therefore, this paper is produced to identify the challenges of social media marketing for selected small traders of agricultural products. Eight respondents have been selected and a semi-structured interview was conducted between 20 March 2022 and 29 March 2022. The findings of the study indicated the main challenges faced by the selected small traders including knowledge, products and human resources. Based on the challenges, appropriate training has been identified, which is the basic of digital marketing.

1. Introduction

The Small-to-Medium Enterprises (SMEs) sector is important in strengthening the economy and shaping the country towards becoming a developed country in the years to come. For decades, SMEs have contributed a large percentage to the nation's Gross Domestic Product (GDP). The contribution of SMEs to GDP in 2019 is about 38.9%, which is increased by 0.6% compared to the previous year [1]. However, the performance of SMEs, especially in the agricultural sector are currently affected by the Covid-19 pandemic and several challenges faced by them including the digital marketing. Although SMEs face the challenges in adapting digital marketing in the era of Covid-19, it is undeniable the great benefits of digital marketing as a result of the development of industrial revolution 4.0, especially among generation Z [2].

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Today's rapid technological progress demands that businesses be managed digitally in accordance with the passage of time in order to be more competitive [3]. Consequently, a transition towards digital marketing among SMEs is the best alternative and considered as potential "ripple effect" for the SMEs' long-term sustainability [4-6]. Therefore, these issues and challenges by selected small traders of agricultural products need to be addressed for successful transformation of digital marketing.

1.1 Digital Marketing

Nowadays, digital marketing is taking over the world with the rapid growth of social media platforms. Changes in the world of business do take a huge turn with the presence of social media and the Internet as it plays an important role in continuously elevating the industry to the next level. The role of marketing has changed as well, causing intensely fierce competition among the players, which will determine who are at the top of their game in the pressing environment of this industry.

Digital marketing was openly embraced when it was first introduced, and received huge and positive feedback thus its popularity. The growth of Internet establishes the key foundation that the industry will thrive or even develop substantially to the next higher level. In summary, digital marketing includes the act of buying or trading products and services through the Internet. It is not only displaying information regarding the products, but it also provides spaces for advertisement, auction activities, as well as stock trading [7].

Consumers shifted to a new way of shopping experience, which is online shopping during the Covid-19 pandemic [6]. In addition, a total of 80 local Malaysia sellers on the Shopee e-commerce platform in 2021 managed to generate sales of over RM1 million in the first year of their participation. Overall, the number of sellers on Shopee's e-commerce platform has doubled more in a year, seeing more Malaysians move or starting online business. The situation indicates an increase in the involvement of micro entrepreneurs and SMEs in the digital economy due to the growing consumer dependence on e-commerce and digital payments.

1.1.1 Potential of social media marketing

Social media is defined as 'a group of internet-based applications that build on the ideological and technological foundations of Web 2.0. It allows the creation and exchange of user generated content' [8].

In recent years, the use of social media around the world has increased significantly [9]. Malaysia is also not left behind, according to the Malaysian Communications and Multimedia Commission [10], 88.7% of the total population in Malaysia are active internet users. Of the total active internet users, 91.7% are active users of Facebook application, and it has the highest number of active users compared to other social media applications such as YouTube (80.6%), Instagram (63.1%) and Twitter (37.1%). This shows that social media is an efficient advertising channel nowadays compared to traditional advertising methods, such as television and radio channels. Apart from that, the Covid-19 pandemic that hit the world has also boosted the use of social media as an effective marketing platform [11]. The advantages of social media as a marketing platform have changed consumers' social media behaviour during the Covid-19 pandemic [12]. According to Kumar *et al.*, [13], integrated marketing promotional messages on social media are effective factors that can influence consumer perception of product image and indirectly influence consumer purchase intention and purchase behaviour. While according to Mason *et al.*, [11], the social media is appropriate to build product awareness and further strengthen the product brand.

1.1.2 Digital marketing challenges

There are many issues and challenges in digital marketing with various views. The main challenges for the digital marketing and sustainability field domain are: 1. customer orientation and value proposition; 2. digital consumer behavior; 3. digital green marketing; 4. competitive advantage; 5. supply chain; and 6. capabilities. This work contributes to the development of research in digital marketing and sustainability [14].

In addition, according to Jaas [15], technological illiteracy is one of the challenges in the acceptance of digital marketing in underdeveloped countries and developed countries. This challenge is often faced by those in rural areas and those with low education. Amongst the low acceptance rate determinants of digital technology in rural area is limited digital infrastructure, which led to slow network or speed of the internet [15]. As for people who are not well exposed to technology, they will feel anxious to use it. However, the opposite effect can be seen with the people who are familiar and applies technology in their daily life. They feel that the technology provides them more benefit than harm [16].

In addition, the application of digital marketing can expand the market size [17]. This advantage is an opportunity for sellers especially sellers in rural areas to market their products. However, the challenge that has to be faced is that sellers need to be prepared to increase production volume in line with the increase in their market demand. The quality of the product will become a major concern and has to be sacrificed if the volume of the product increases dramatically. This situation will certainly affect the performance, branding and trustworthiness of the business in the future.

To summarise from the previous study, the main challenges that need to be overcome for the implementation of digital marketing and e-commerce business are: 1. competition between entrepreneurs [5]; 2. lack of knowledge and know-how on the digital marketing design and branding [5,15,16]; 3. disciplinary problems and commitment of entrepreneurs [5]; 4. insufficient human capital [4]; 5. digital infrastructure [4,15]; and 6. product volume.

2. Methodology

This study uses a qualitative method, which is a case study involving multiple respondents in West Malaysia. The respondents were identified through the preliminary survey study. Case samples selection was based on the predetermined criteria as indicated

- i. The respondents are interested in increasing the promotion of their products through online marketing;
- ii. The respondent must be small traders of agricultural products or the respondent must be an actor in the SME agriculture value chain sector.

Subsequently, eight respondents have been selected and a semi-structured interview was conducted between 20 March 2022 and 29 March 2022 to find out their challenges in social media marketing. The data was captured, analysed and translated via descriptive analysis.

3. Results

The results can be divided into two parts; 1. Demographic of Respondents; and 2. The Challenges in Digital Marketing.

3.1 Demographic of Respondents

The results showed that all respondents are engaged in selling on social media platforms. All of them have the experience in applying marketing on social media, which the majority uses Facebook and WhatsApp platforms. Only one person uses Instagram. In addition, there are three respondents, namely R1, R2 and R4 have experience in using the electronic commerce platform, Shopee.

Most of them, which are five respondents of the eight have experienced and attended courses from the Malaysia Agroecology Society (SRI-Mas) Farmers Field School (FFS) program. They are the actors in the value chain of the organic rice of small-scale production. Organic rice in this case is paddy practice using natural resources input.

Next, all respondents are farmers, except R2 is an actor in marketing. In addition, R8 also provides a one-stop centre in market organic rice production for rural areas.

While the other three respondents planted red chili as the main business product. Besides that, there are also other products such as cucumber, lemongrass, fruits and vegetables. In terms of age, six of the respondents are aged between 18 to 40 years. They are the youth category of Agri-entrepreneurs in Malaysia.

Table 1
Demographic of Respondents

Respondent	Age	Education	Product	Sosial Media Platform
R1	56	Secondary school	Organic rice	WhatsApp
R2	32	Master	Organic rice	WhatsApp
R3	26	Certificate	Red chillies and cucumbers	Facebook and WhatsApp
R4	28	Degree	Red chillies and cucumbers	Facebook
R5	34	Certificate	Organic rice and lemongrass	Facebook and WhatsApp
R6	52	Certificate	Organic rice and rice tea	Facebook and WhatsApp
R7	30	Degree	Red chillies	Facebook
R8	32	Master	Organic rice, fruits and vegetable	Instagram

*Note: R2 and R8 are actors and services' provider in rural community

In terms of education level, the findings showed that four of respondents have a university education, three have certificates and only one attended secondary school.

3.2 Challenges in Digital Marketing

There are various challenges faced by these respondents in digital marketing to market their products. The main challenges faced by the respondents include; 1. Knowledge; 2. Products; and 3. human resources. Others challenges is logistics, infrastructure, behaviour, investment and security. These digital marketing challenges can be summarised in Figure 1.

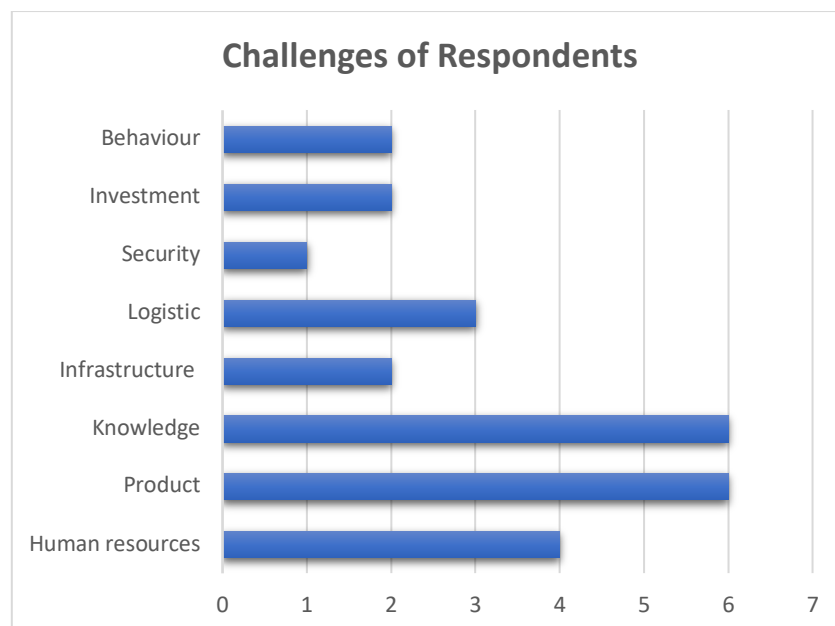


Fig. 1. Digital Marketing Challenges

3.2.1 Knowledge

The highest challenge faced by these small traders in farming community was knowledge limitation. Knowledge in this study referred to the method used to promote and selling online. It covers copywriting, interesting advertisement, infographics, pictures and others. In this study, six respondents informed they have a limited knowledge on the methods or techniques used in digital marketing. Respondent R8 stated that she lacks information and knowledge on keywords that need to be used to attract potential customers or compelling advertisements, as well as ways to upload product advertisements online. Nevertheless, most of the respondents are interested in delving into courses related to digital marketing and advertising.

R1 *"...the picture uploaded in the Facebook is not interesting. That's why it can't engage with the crowd or lacks of views."*

R2 *"I rarely promote products on Facebook. If you want to promote things on social media, you have to know copywriting, right? I'm a little weak at copywriting. I'm not very good at it. Sometimes, it takes me a long time to think what to write."*

3.2.2 Products

The highest digital marketing challenge that equates to the knowledge factor in this study is the product. Product in this case referred to the products itself or services such as type, quality and freshness. It also concerns packaging and marketing to the consumer.

The digital marketing challenge for these six respondents was to sell perishable products such as red chilies, cucumbers and vegetables via online medium. Dealing with these perishable products are challenging in terms of maintaining their freshness and quality. Therefore, it requires careful packaging and handling, as well as fast delivery. As for organic rice products, stocks inventory should be prepared based on previous demand due to the nature of planting season of rice. However, the

post-harvest storage methods are also important to prolong the product life-shelf and maintain its quality. In addition, the price of a product also plays a vital role, especially when it involves selling online. For example, commission fees must be paid to the app's platform when a seller selling a product in the Shopee platform. As a result, the selling price is expected to be more expensive in any online platform compared to the market price. If the respondent absorbed the cost of commission fees, the respondent must bear a loss or receive a low margin.

R2 "I'm sell organic rice using WhatsApp and Facebook. However, the profit is not that much. There are additional costs for postage and also commission fee if selling in Shopee. Even the profit is not worth it."

3.2.3 Human resources

Next, the second-highest challenge is human resources. Human resources are referred to the labour used either in managing a farm or selling a product through internet.

A total of four respondents, namely R3, R5, R7 and R8 or 50% of the respondents have challenges related to human resources. Majority of the respondents mentioned that they did not have enough time to manage both their farm production and online marketing. Most of the time, for example R5, needs to give more focus on managing his/ her farm to meet the quality and standard by their consumers. When they are in their farm, they are most likely to ignore all online communication from their online customers.

3.2.4 Logistic

Logistic is closely related to the method or services used to deliver a product. The logistics issue is the third challenge faced by the respondents. For example, R3 and R7 from red chili growers stated the delivery charges imposed were not worth it and it is time consuming if the order quantity was small. Since they are dealing with perishable products, the most appropriate delivery was delivery by their own or using e-hailing services. However, e-hailing services are limited especially in rural area. The community that sells organic rice normally used post services available near her farm. For example, before R2 sent her product, she commonly packed her products using plastic or bubble wrap to ensure safety and product quality. However, there were complaints by buyers about the rice product packaging and mentioned that thick packaging had increased the postage weight and at the same time had increased the shipping cost.

3.2.5 Others challenges

Infrastructure is anything involved with the internet connection such as price, speed and coverage. It also includes storage capacity of the product (i.e., cold storage) to maintain freshness of the products. The fourth challenges faced by R3 and R5 in practicing social media for digital marketing includes the lack of digital infrastructure at their area that causes unstable internet connection.

The other challenges of these respondents are lack of investment and subsidy to adopt the digital marketing within their business practices (R5 and R6), uncertainty behaviour for changes (R3 and R7) and cybersecurity issues during the trading transaction (R7).

4. Conclusions

The main challenges faced by the selected small traders in this study have similarities in past literature review on implementation of digital marketing and e-commerce business.

The main challenge here is knowledge, which is similar with the study conducted by Baharun and Mohd Balwi [5]; Jas [15] and Patma *et al.*, [16]. Additionally, Patma *et al.*, [16] stated that individuals will find easier to use social media when their perception on social media learning is good and easy to learn. Thus, the knowledge on social media is one of the important components to increase the adoption of social media in daily use [16].

Similarly, type of products has similar study with Sasidharan Nair [17]. Likewise, this study has similarities with the issue of human resources and digital infrastructure found in Mok Kim Man and Yang's study [4].

To sum up, many challenges need to be faced by SMEs to promote their business. However, social media or word-of-mouth (WOM) undeniably has an important role, which acts as a promotion strategy [18]. As an alternative to solve the challenges in business on social media, the suitable model to be used as a reference is the Attention, Interest, Desire and Action (AIDA) model that has been used widely as a great example of online marketing strategy [19-21]. For future recommendations, an alternative to lighten the burden of small traders facing this challenge is through appropriate training by incorporating the AIDA model.

AIDA model is suitable to guide new entrepreneurs or business owners who have zero knowledge of online marketing strategies. The first approach in the AIDA model is *Informing*, which in this step, business owners should promote the grand opening of their business to inform the public and attract customers to find out more about the products or services that they offer. Next, *Persuading*, which includes the part where the entrepreneurs' efforts to attract customers by offering any kind of promotions with affordable or low prices. Lastly, *Reminding* involves a few acts, such as updating their marketing medium especially when they decided to do the promotion or add new products [20].

In conclusion, in the endemic transition era post Covid-19 pandemic, there is a large number of SME traders who suffer losses and are forced to stop their business operations. For that, the potential of digital marketing in social media is recognised to be very helpful for the businesses' future growth.

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